

ABSTRACT

In one embodiment a method of structuring a municipal bond issued by a credit issuer to a credit holder, comprising requiring the credit issuer to pay to the credit holder a fixed payment
5 component; and requiring the credit issuer to pay to the credit holder a variable payment component that varies based on changes in a value of an ownership value characteristic which is associated with the municipal bond and wherein the ownership characteristic is selected from the group including: a) a general interest rate level; b) an exemption from a state tax; c) an exemption from a federal tax; d) a marginal state tax rate; e) a marginal federal tax rate; f) a
10 credit rating of the credit issuer; g) a credit variation associated with a credit enhancer; h) a credit variation associated with a liquidity provider; and i) a supply/demand level for municipal bonds..